

Message Text

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AMCONGEN MADRAS

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 5944

E.O. 11652: GDS
TAGS: EAID, UNDP, IN
SUBJECT: 24TH UNDP GOVERNING COUNCIL: UNDP REPORT ON ITS
FUTURE ROLE

REF: STATE 086320

1. SUMMARY IN RESPONSE TO REFTEL EMBOFF TALKED WITH UNDP
RESIDENT REPRESENTATIVE POLGAR AND DEPUTY RESREP KAUFMAN AS
WELL AS MINISTRY OF FINANCE JOINT SECRETARY SRIVASTAVA IN CHARGE
OF GOI-UNDP PROGRAM COORDINATION. THEIR VARYING VIEWS GIVE
SOME INSIGHT INTO THE AGENCY'S PROBLEMS. (POLGAR AND KAUFMAN,
IN PARTICULAR, EMPHASIZED THAT THEIR VIEWS WERE PERSONAL AND
INFORMAL AND ASKED THAT THEY BE KEPT IN STRICTEST CONFIDENCE.)
POLGAR SAID THAT MAJOR FUTURE PROBLEMS FACING UNDP INCLUDED
THE LACK OF COORDINATION BETWEEN RESREP AND SPECIALIZED AGENCIES,
PARTICULARLY FAO; CONFLICTING INTERESTS BETWEEN DONOR AND
RECEIPT COUNTRIES INCLUDING THE QUESTION OF ATTACHING CON-
DITIONS TO COUNTRY PROGRAMS; AND THE INCREASINGLY HARD TASK
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OF RECRUITING GOOD TECHNICIANS. HE THOUGHT THAT THE UNDP'S
FUTURE ROLE SHOULD INCLUDE ASSISTANCE IN TRANSFER OF LDC TECH-
NICIANS TO OTHER LDCS AND WORLDWIDE RESEARCH PROGRAMS IN SUCH
AREAS AS AGRICULTURAL CROPS AND WEATHER. FROM EMBASSY'S EXPERI-
ENCE AND THOSE INITIAL QUERIES WE TEND TO BELIEVE THAT POLGAR'S
CONCERNS ARE GENERALLY VALID. THERE APPEARS TO BE SOME COORDINA-
TION AMONG UN AGENCIES IN PLANNING, BUT LITTLE IN IMPLEMENTA-

TION OR EVALUATION.

2. ON A FUTURE ROLE FOR UNDP, THEREFORE, THE PROBLEM OF COORDINATION BETWEEN UN AGENCIES SHOULD BE ADDRESSED. WHILE COUNTRY PROJECTS SHOULD CONTINUE, INCREASINLY IN OUR VIEW, MORE ATTENTION SHOULD BE GIVEN REGIONAL PROGRAMS (E.G. HEALTH, RIVER BASINS, METEOROLOGY, ETC.) WE REALIZE, OF COURSE, THAT THE VARYING INTERESTS AND THE INSTITUTIONAL HISTORY OF THE MAJOR PARTICIPANTS IN THE UNDP SYSTEM MAKE EFFECTIVE CHANGES DIFFICULT. UNLESS THE SYSTEM IS CHANGED, HOWEVER, OUR PRELIMINARY IMPRESSION IS THAT THE FUTURE ROLE OF UNDP IS NOT LIKELY TO BE MUCH DIFFERENT FROM THE PRESENT, END SUMMARY.

3. COORDINATION BOTH UNDP REP POLGAR AND DEPUTY REP KAUFMAN WERE VERY CRITICAL OF THE PRESENT RELATIONSHIP IN INDIA BETWEEN THE UNDP AND UN SPECIALIZED AGENCIES, PARTICULARLY FAO AND WHO. POLGAR THOUGHT THE PROBLEM WAS BECOMING MORE DIFFICULT. HE SAID, FOR EXAMPLE, THAT FAO WAS SETTING UP ITS OWN SEPARATE FUND BECAUSE OF THE SCARE CAUSED BY THE RECENT SHORTAGE OF MONEY IN THE UN SYSTEM, AND THIS WOULD GIVE FAO EVEN MORE AUTONOMY. KAUFMAN NOTED THAT OFFICIALS OF THE RESIDENT REPRESENTATIVE'S OFFICE CANNOT GO TO THE SPECIALIZED AGENCIES TO CHECK ON PROJECTS, INQUIRE WHY THERE ARE DELAYS, ETC. BECAUSE UNDP HEADQUARTERS HAS NOT ALLOWED THE RESIDENT REPRESENTATIVE TO HAVE SUCH AUTHORITY. KAUFMAN THOUGHT THAT, IF DIRECT INQUIRIES OF THE SPECIALIZED AGENCIES COULD BE MADE, PROJECTS HERE COULD BE SPEEDED UP BY ABOUT 25 PERCENT. PREDICTABLY, SRIVASTAVA OF GOI SAID THAT DECENTRALIZATION OF UN FUNCTIONS WAS PREFERABLE, PROVIDED THE SPECIALIZED AGENCIES WERE RUN EFFICIENTLY. HE WAS CONFIDENTIAL

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AFRAID THAT CENTRALIZATION OF AUTHORITY IN THE RESIDENT REPRESENTATIVE'S OFFICE MIGHT MEAN A DECREASE IN PROGRAM FLEXIBILITY AND UN TECHNICAL EXPERTISE. HE WAS ALSO OPPOSED TO UNIFORM APPLICATION OF UNDP REGULATIONS BECAUSE OF DIFFERING CONDITIONS IN THE DEVELOPING COUNTRIES.

4. EVALUATION RESREP COMPLAINED ABOUT LACK OF FOLLOW-UP IN THE UNDP PROGRAM BECAUSE OF THE RELUCTANCE OF THE SPECIALIZED AGENCIES TO MONITOR PROJECTS AND CARRY OUT EVALUATIONS. THE AGENCIES CLAIMED THAT THEY DID NOT HAVE THE EXPERTISE TO EVALUATE THE RESULTS OF PROJECTS. GOI VIEW WAS THAT GOVERNMENT TRIED TO JUDGE THE EFFECTIVENESS OF UNDP PROJECTS HERE ITSELF.

5. TECHNICAL EXPERTS. RESREP NOTED THAT ONE OF THE BIGGEST FUTURE PROBLEMS UNDP WOULD HAVE TO FACE IS THE RECRUITMENT OF SUITABLE TECHNICAL EXPERTS. HE SAID THAT FOREIGN EXPERTS WERE BECOMING INCREASINGLY COSTLY, AND IN SOME CASES THE UNDP COULD NOT AFFORD TO PAY THEIR ASKING SALARIES. ON THE OTHER

HAND, UNDP HERE OFTEN COULD NOT OBTAIN GOOD INDIAN TECHNICIANS IN THE PRIVATE SECTOR BECAUSE THEY WERE UNWILLING TO WORK UNDER A PUBLIC SECTOR SALARY SCHEDULE THAT GAVE THEM LOWER COMPENSATION.

6. PROGRAM CONDITIONS. RESREP SAID THAT THE UNDP DID NOT IMPOSE ANY CONDITIONS ON GOI, BUT THIS QUESTION SHOULD BE FACED. FOR EXAMPLE, SHOULD THE UNDP REQUIRE THE GOI TO HAVE AN EFFECTIVE POPULATION CONTROL PROGRAM? SHOULD FUNDS GO ONLY TO THE LOWEST INCOME GROUPS? HE ALSO STATED THAT THERE WAS AN INEVITABLE CONFLICT OF INTERESTS BETWEEN DONOR AND RECIPIENT COUNTRIES. EACH COUNTRY WANTED TO USE AS MUCH OF ITS OWN EQUIPMENT AND MATERIALS AS POSSIBLE IN THE UNDP PROGRAM. POLGAR THOUGHT THAT EQUIPMENT FROM LDCS WAS OFTEN BOTH COSTLIER AND OF POORER QUALITY THAN DEVELOPED COUNTRY PRODUCTS. GOI OBJECTED TO THE IDEA THAT THE UNDP SET MORE CONDITIONS FOR RECIPIENT GOVERNMENTS. HE THOUGHT THAT THE UNDP SHOULD NOT

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SPECIFY, FOR EXAMPLE, THAT FUNDS GO TO THE POOREST GROUPS IN THE COUNTRY. THIS WOULD NOT ONLY MEAN LESS FLEXIBILITY FOR THE PROGRAM, BUT ALSO IMPLY A DISTRUST OF THE COUNTRY'S ECONOMIC/SOCIAL OBJECTIVES.

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7. RESOURCES. RESREP SAID THAT THE UNDP PROGRAM IN INDIA WAS THE LARGEST ONE IN THE WORLD. HOWEVER, ALTHOUGH IT TRIED HARD, THE UNDP COULD NOT SPEND ALL THE MONEY THAT IT WANTED TO. FOR EXAMPLE, HE SAID THAT IN 1976 \$12.5 MILLION WAS COMMITTED FOR INDIA, BUT ONLY \$10 MILLION WAS SPENT. HE WONDERED HOW A LARGER PROGRAM HERE WOULD ACTUALLY BE IMPLEMENTED. ON THE OTHER HAND, THE DEPUTY REP THOUGHT THAT BOTH UNDP AND COUNTER-PART FUNDS SHOULD BE INCREASED HERE, PROVIDED THAT THEY COULD BE USED MORE EFFICIENTLY BY MEANS OF BETTER COORDINATION WITHIN THE UN SYSTEM. GOI OFFICIAL VIEW WAS THAT, SINCE THE UNDP PROGRAM REPRESENTED ONLY ABOUT ONE PERCENT OF OUTSIDE RESOURCE TRANSFER TO INDIA AT THE PRESENT TIME, THE GOI FOCUSED ITS ATTENTION MUCH MORE ON MULTILATERAL AND BILATERAL DEVELOPMENT AID FLOWS.

8. FUTURE ROLE OF UNDP. RESREP STATED THAT THE UNDP SHOULD CONCENTRATE ON THE LEAST DEVELOPED COUNTRIES (CHICH HE THOUGHT DID NOT INCLUDE INDIA.) HE SAID IN CONFIDENCE THAT SOME COUNTRIES ON THE GOVERNING COUNCIL RESENTED INDIA GETTING SO

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MUCH MONEY FROM UNDP. HE THOUGHT THAT ONE FRUITFUL AREA FOR FUTURE UNDP ACTIVITIES WOULD BE ASSISTANCE IN THE TRANSFER OF LDC TECHNICAL EXPERTS TO OTHER LDCS. HE ALSO BELIEVED THAT THE UNDP COULD USEFULLY ENGAGE IN WORLDWIDE PROGRAMS SUCH AS RE-SEARCH ON AGRICULTURAL CROPS AND WEATHER. HOWEVER, THE DEPUTY REP EMPHASIZED THAT UNDP SHOULD NOT WORRY ABOUT ITS FUTURE ROLE BUT RATHER DO WHAT IT IS NOW DOING IN A BETTER WAY.

9. GOVERNING COUNCIL MEETINGS. RESREP THOUGHT THESE MEETINGS WERE MUCH TOO LONG. THEY SHOULD NOT DISCUSS INDIVIDUAL COUNTRY PROGRAMS AND PROJECTS. RATHER, HE BELIEVED THAT THE GOVERNING COUNCIL SHOULD HAVE AN ANNUAL MEETING LASTING ONE WEEK (PERHAPS DURING THE UN GENERAL ASSEMBLY SESSION) TO DISCUSS GENERAL ISSUES. PERHAPS ANOTHER WEEK EACH YEAR WOULD BE NECESSARY TO DECIDE ON THE UNDP BUDGET. HE SAID THAT THE GOI WONDERED ABOUT THE UTILITY OF LONG GOVERNING COUNCIL SESSIONS WHEN INDIA RECEIVED IN ABSOLUTE TERMS SUCH SMALL AMOUNTS OF UNDP MONEY. (THE GOI OFFICIAL WAS NONCOMMITTAL ON THIS POINT.) RESREP ALSO THOUGHT IT IMPORTANT THAT, SINCE THE SPECIALIZED AGENCIES HAVE THEIR OWN MEETINGS, EACH DONOR COUNTRY SHOULD HAVE A COORDINATED POSITION VIS' A VIS THE UNDP AND OTHER MEMBERS OF THE UN FAMILY. THIS WAS MOST OFTEN NOT THE CASE AT PRESENT, WITH SEPARATE DELEGATIONS FAILING TO SUPPORT ANY COORDINATED VIEW.

10. COMMENT: MANY OF THE RESREP'S CRITICISMS APPEAR VALID TO US. THE PROBLEM OF COORDINATION IS A CONTINUING ONE, BUT

IN VIEW OF THE HISTORY AND PRESENT NATURE OF THE SPECIALIZED AGENCIES, ESPECIALLY THE INDEPENDENT FINANCING MANY OF THEM ENJOY, IT IS DIFFICULT TO SEE HOW IT WILL BE RESOLVED WITHOUT A BASIC STRUCTURAL CHANGE IN THE SYSTEM. UNDP REP'S COMPLAINT ABOUT INABILITY TO SPEND COMMITTED FUNDS HERE WOULD SEEM TO INDICATE A LIMITED SCOPE FOR EXPANSION OF UNDP PROGRAMS IN THEIR PRESENT FORM. RECIPIENT COUNTRIES WILL NATURALLY RESIST ATTACHING CONDITIONS TO THEIR UNDP PROGRAMS. IN INDIA, THE UNDP'S LEVERAGE IS RATHER LIMITED BECAUSE THE GOI CONTRIBUTES MORE MONEY TO THE UNDP PROGRAM THAN THE UNDP SPENDS HERE. CONFIDENTIAL

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(IN 1976 GOI PROVIDED \$15 MILLION PLUS \$6 MILLION TO THE GENERAL FUND IN CONTRAST TO UNDP EXPENDITURES HERE OF \$10 MILLION). THE GOI CONTINUES TO REGARD UNDP AS A TECHNICAL GAP-FILLING ACTIVITY WITHIN ITS INDEPENDENTLY DETERMINED DEVELOPMENT PLANS. WE TEND TO AGREE WITH RESREP REGARDING HIGH-PRICED FOREIGN TECHNICIANS AND THE NEED TO USE MORE LDC TECHNICAL EXPERTS. IT SEEMS UNLIKELY THAT LDCS SUCH AS INDIA WILL BE PREPARED TO RECEIVE UNDP ASSISTANCE ON A COST-REIMBURSABLE BASIS BECAUSE OF HIGH SALARIES OF FOREIGN TECHNICIANS. ALTHOUGH WE FAVOR CONTINUATION OF FOCUS ON COUNTRY PROGRAMS, REGIONAL PROJECTS (SUCH AS SPECIFIC DISEASE PREVENTION OR WATER BASINS) OR WORLDWIDE RESEARCH PROGRAMS SUCH AS SUGGESTED BY THE RESREP WOULD BE USEFUL TO EXPLORE. OUR PRELIMINARY VIEW IS THAT IMPROVED COORDINATION IS NECESSARY, PARTICULARLY FOR THE IMPLEMENTATION AND EVALUATION OF UNDP PROJECTS. HOWEVER, TO ACCOMPLISH THIS, RESREP'S AUTHORITY AND STAFFING WOULD HAVE TO BE EXPANDED TO PROVIDE NEEDED EXPERTISE. IT MAY BE VERY DIFFICULT TO EFFECT THIS MAJOR CHANGE BECAUSE OF THE VARYING INTERESTS AND INSTITUTIONAL STRENGTH OF THE MAJOR PARTICIPANTS IN THE UNDP SYSTEM, BUT WITHOUT THIS, THE FUTURE ROLE OF THE UNDP MAY BE QUITE SIMILAR TO WHAT IT IS TODAY. SCHNEIDER

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